

CONSOLIDATED KEEPS 2 DIER MEN IN SEATS

Andrews and Percy Thomas
Admitted After Firm
Loses Its Tickers.

OTHER MEN SUSPECTED

Brokers With Police Records
Get Membership After 'Rigid Investigation.'

NINE REJECTIONS IN YEAR

Some Houses Fail to Get In,
but 22 Are Forced to Close
in Bankruptcy.

[This is the fifth and last of a series of articles dealing with the failure of twenty-seven Consolidated Stock Exchange brokerages and the consequent loss to investors of \$5,000,000.]

Officials of the Consolidated Stock Exchange contend that before any one is admitted to its membership there is a "complete business history investigation" with a report from the Bishop agency. This is the answer of W. S. Silkworth, president of the Consolidated, to one of the questions propounded by THE NEW YORK HERALD in the preparation of this series of articles.

In view of the statement it is worth noting that the defunct firm of E. D. Dier & Co. had at the time of its \$4,000,000 failure two persons who were, in effect, representing it on the Consolidated. Both still are members of the Consolidated, according to the latest information obtainable. The men are Fred Andrews, formerly cashier of Hughes & Dier and E. D. Dier & Co., and Percy Thomas, whose connection with the Dier concern has been established by the trustees in bankruptcy, and who has not been found since the failure.

Admitted at Dier Crisis.

The Consolidated Exchange's membership list shows that Fred Andrews, whose address is put down as 2801 Grand Concourse, The Bronx, his home, was admitted to membership April 13, 1921. This and other interesting facts regarding his membership in the Consolidated was brought out yesterday at the bankruptcy hearing into E. D. Dier & Co.'s affairs.

The same list shows that Percy Thomas, of 32 Broadway, was admitted to membership on June 9, 1921. The dates in both cases are significant for the reason that an examination of the Dier books has revealed that the concern started to go down hill, at least as far as the creditors were concerned, about the same time. Another significant thing is that Andrews left the Dier firm on June 28, 1921.

If the Consolidated really made, through its membership committee or otherwise, a complete investigation of the business history of Andrews, it should have learned, as the trustees in bankruptcy have learned, that he was

making \$25 a week as a bookkeeper before he went into the Hughes & Dier concern; that he received \$50 a week when he first went there and that so valuable were his services to this bucket shop that his salary was advanced until at the end he was getting \$300 a week. It also should have been brought out that while his income for two years from his salary, and on which he paid his income tax, was only about \$30,000, he and his wife "saved" in the same length of time more than \$100,000. Andrews himself has testified to this.

Andrews Got Many Presents.

It was previous to the investigation into the "complete business history" of Andrews by the Consolidated that he received, as he has testified, \$15,000 as a "birthday present" from Hughes & Dier. It also was previous to that investigation that he drew the firm's checks, payable to himself, for more than \$40,000, in amounts for which there has been found, up to the present, no credible explanation. It may be possible that the investigation by the Consolidated in the business history of Andrews showed all these things and the many ramifications of his work for Dier in the course of which he received large presents of money from other brokers. But whatever the "complete investigation" showed, Andrews was admitted to the Consolidated and is now a member, presumably in good standing.

The case of Percy Thomas is not so clear for the reason that Thomas has disappeared. Andrews was asked if he had seen Thomas and replied: "No, I haven't seen Percy for some time."

Thomas's Office Near Dier's.

Thomas, member of the Consolidated, had an office in the Dier offices or nearby. The trustee is asking Andrews and other witnesses whether it was Thomas who supplied the Dier bucket shop with quotations he received from the Consolidated Stock Exchange after Dier's own tickers were taken out, supposedly, by the Consolidated. Andrews has testified that he was for Dier to continue the business that resulted in a failure with assets of \$100,000 and liabilities of \$4,000,000. But it is not alone in the connections between Andrews and Dier & Co. that the various committees of the Consolidated seem to have been in poor luck in carrying out the regulations under which, supposedly, the Consolidated is operated. There are other names on the membership list that might cause comment.

For instance, the name of E. M. Fuller of E. M. Fuller & Co., 50 Broad street, admitted to the Consolidated and receiving the prestige that went with that connection, February 27, 1920. In 1909 Edward M. Fuller was arrested in the Park Avenue Hotel charged with obtaining money under false pretenses, he having taken \$50 in marked bills from the manager of that hotel in connection with the time honored scheme of raising money for a "home for journalists." He had letter heads of the "International League of Press Clubs," of which no newspaper man knows, and lists of names of prominent people with amounts opposite each name. This story printed full particulars of the case at the time.

Then there is Henry C. Stump of Scott & Stump, now in bankruptcy. He was admitted to membership in the Consolidated, according to the record, on November 6, 1919, presumably after the membership committee had carried on its investigation in accordance with the rules.

But did the membership committee or the governors of the Consolidated learn that a Henry C. Stump had been indicted in the District of Columbia in January, 1913, for "bucketing"? And if the membership committee did not know it, did the ways and means committee, which, according to Mr. Silkworth, is constantly investigating, ever find it out?

Bad Records of Many Members.

There are other and similar cases which THE NEW YORK HERALD has information involving men who were concerned, to say the least, in the Arnstein case, the Emerson Motors case and other affairs of the sort, but the examples mentioned serve to show that somehow the rules which the Consolidated has adopted and by which, it is to be assumed in view of Mr. Silkworth's statement, the business of the Consol-

Bucketeer Gets 3 Years in Prison as Plain Thief

HOWARD E. STANLEY, first stock broker convicted of grand larceny as the operator of a bucket shop, was sentenced yesterday to three to six years by Judge Johnstone in General Sessions. It is the first sentence of a bucketing broker as a common thief.

Stanley is 38 and lives at 420 Sixth avenue, Brooklyn. He was a partner of Frank Miniter in Miniter, Norden & Co., at 29 Broad street. The latter pleaded guilty to the charge of larceny, testified against his former partner and received a suspended sentence. Stanley was convicted on May 22 of stealing \$1,500 from Joseph M. Keiser of Newark, a customer, by bucketing his orders.

dated is conducted, do not keep out men whose past performance might well bar them from membership.

Then, when the market turns upward and the bucket shop operators are faced with the necessity of paying profits to their customers of going broke, the Consolidated officials, apparently, become greatly alarmed. There is an investigation and finally a suspension or an expulsion, which occurs just before or just after the receiver takes over the office of the defunct firm.

It must be said, however, that the Consolidated does not accept every application that is presented. This was brought out through the questionnaire submitted to Mr. Silkworth. He was asked: "What percentage of applications for membership are rejected?"

The question, answered in writing, was not answered directly. The answer read: "Nine applications rejected during last twelve months."

The summary therefore shows: Nine rejections in twelve months. Twenty-two failures in four months.

Consolidated's Officials.

The Consolidated, as has been explained, is a voluntary membership association. It acts and conducts its business through its chosen officers. There was an election recently, but the occurrences with which this series of articles has dealt for the most part happened previously. In giving the list of officers and some of the committees of the Consolidated, therefore, it is fairer to give the names of those who constituted the 1921-1922 administration.

President—W. S. Silkworth.
First Vice-President—S. A. Luther.
Second Vice-President—Mortimer H. Wagar.

Board of Governors—John Brennan, Samuel Dornin, L. Gilbough, W. S. Hautau, Marcus Heim, R. G. Latham, George W. Liebmann, Leopold Spingarn, William K. Varcoe, W. L. S. Webster, R. W. Betts, S. H. Clarke, W. S. Cooke, P. J. Elchele, James A. Gilles, Thomas B. Malone, J. A. O'Regan, George Shaskan, Laurence Tweedy, L. E. Wilson.

Committee on Membership—George W. Liebmann, John Brennan, W. S. Cooke, James A. Gilles, P. J. Elchele, L. Gilbough, Marcus Heim, George Shaskan, John E. Hoey.

Ways and Means Committee—James A. Gilles, John Brennan, W. S. Cooke, P. J. Elchele, Mortimer H. Wagar, R. W. Betts, S. H. Clarke.

This list, which is taken from the Consolidated's directory, may be worth some study. The two committees mentioned are those, the activities of which have been the most discussed in this series of articles.

ENVOY BIDS HARDING GOOD-BY.

WASHINGTON, June 1.—Tomas A. Le Breton, who has been Argentine Ambassador to the United States for more than three years, said farewell to President Harding to-day preparatory to leaving within a few days for home. He first will go to Europe before taking the steamer to the Argentine Senate to which he was elected several weeks ago.

DIER CASHIER HAZY ON BRIBES FOR 'ADS'

Knows Only That He Drew
\$5,000 of Own Money and
Gave It to Dier.

DIER IS STILL ABSENT

Money 'Passed in Dark,'
Where Andrews Couldn't
See Recipients.

Fred Andrews, formerly cashier for Hughes & Dier and E. D. Dier & Co., was questioned again yesterday by Arthur Hays in the bankruptcy hearing before Seaman Miller, referee, giving testimony of a fragmentary character regarding a few of the transactions of which he had knowledge.

At the instance of THE NEW YORK HERALD, which demanded, through its counsel, Archibald Watson, a thorough investigation of the story told by Andrews in earlier testimony, Andrews told further details of the alleged giving of \$5,000 by the Dier concern for the privilege of having its advertisements printed in THE NEW YORK HERALD, the New York Times and one other paper, which, for some reason, Andrews was not able to identify. The witness also was questioned by Alfred A. Cook, of counsel for the Times.

Mr. Hays and Mr. Watson had a brief conference before the hearing. Then after Andrews had been asked some questions on other matters, Mr. Hays recalled his previous testimony, mentioning THE NEW YORK HERALD, the Times and also the New York Tribune. He said:

"I am not certain as to the third paper, therefore I will not name it." The witness again asserted that he had drawn \$5,000 and kept the money in cash. He seemed vague on whether he had drawn the money from his own account first and reimbursed himself out of Dier funds later, but he knew he had the money on the evening in question in 1920 and had handed it to Dier, who had passed it to a man standing near him in a "dark corridor between two rooms."

George Gunn, the advertising man of the firm, had told him that the money was for THE NEW YORK HERALD and the Times. Then he was asked why he drew the money from his own bank account, if he did.

"I was told to." "Why did they do that? Why didn't they take the money out of the Dier funds?"

"I think they wanted to cover up that particular transaction." Mr. Watson then took up the matter and explained that as part of the thorough investigation by THE NEW YORK HERALD into the allegations of Andrews the newspaper was anxious to have the fullest possible details of the narrative.

that Andrews has told. He therefore asked Mr. Miller's permission to question the witness. Mr. Miller readily granted Mr. Watson's request.

"Where is George Gunn?" asked Mr. Watson.

"I think he's the advertising manager for McKenna," said the witness, mentioning an advertising agency.

"And where is Mr. Dier?" "I don't know."

In answer to questions the witness said there were "one or two others" present besides Gunn and Dier when he handed over nearly \$5,000 in bills. It was 7:30 at night when "the men came up to get the money." He had not anticipated their coming, but merely had been told "to have the money ready" and that "we'd have to give up to get back into those papers."

"Were the bills you got large or small?" "They were \$100 bills, I remember."

There was "a Mr. Wilson" present and it all took place "just about Christmas, 1920." He fixed the date because "we were drawing other money for Christmas presents."

Regarding the division of the \$5,000 Andrews thought "one got \$300 and two got \$2,000" and Dier kept the other hundred. About the date of the check he said in answer to questions by Mr. Watson, "I think the three men met afterward, and I believe they went up to Gunn's room and had a drink."

Each time he passed money to Dier it was "a different man." Andrews was sure, but he did not actually see the money go from Dier to the other man. The corridor was "very dark."

Gunn, he said, had written the advertising copy for the two papers that very night, and within a week the advertisements reappeared.

Mr. Watson characterized the whole story as incredible, but said it might be believed by some. Mr. Hays brought out that the records showed no checks from the Dier firm to Andrews in December, 1920.

Mr. Cook showed that Andrews knew nothing about the newspapers or payments in connection with advertising except what he had heard from Dier and Gunn.

The principal other testimony at the hearing related to the purchase of a Consolidated Stock Exchange seat by Andrews in 1921. He paid \$5,500, he said, but he denied that it was Dier money that went for it, though there was a payment of \$4,000 from Dier to Andrews about the same date. He testified that he had rented an office from Dier for himself at a "nominal rental" of \$35 a month, which he paid to Dier.

It was, he said, a great joke, and they spent the \$35 which he paid for only one month in cigars.

Andrews had a ticker in this private office, but he denied that he got quotations for Dier after the latter's ticker service was stopped. He was speculating, but at the same time getting \$300 a week from Dier. He supposed to give the Dier firm "such time as I thought was necessary," he said.

In the investigation into the charges by Andrews with reference to the newspapers, including THE NEW YORK HERALD, Mr. Watson, its counsel, has received assurance of every possible cooperation from the receiver for the Dier estate.

N. Y. COTTON BOARD SUSPENDS 2 FIRMS

Continued from First Page.

ing furnished continuous quotations in violation of their agreement.

This suspension is the result of an erroneous and unsupported statement of a seventeen-year-old boy and contradicted under sworn testimony of all of the employees of our order room at 7 West street, in which order room we have twenty-eight telephones operated by two order clerks.

Under the rules of the New York Cotton Exchange, if we were guilty even of a technical violation committed by employees of ours without our knowledge we could not do anything but accept the responsibility and take the consequences, as under the rules of this exchange we are responsible for our employees.

Both the (Lamborn) and our firm emphatically state that there positively has been no violation, either on our part or on the part of any of our employees, which the testimony taken on March 24 and April 6, 1922, absolutely proves and which we are willing and shall submit to the unbiased judgment of any one interested.

Under these circumstances, we are compelled to protect ourselves by appealing from this decision of the New York Cotton Exchange and take such action as our general counsel, Messrs. Van Doren, Conklin, McNevin & McClintock, advise.

The statement was sent to the members of the New York Cotton Exchange, including the board of managers. Both Mr. Lamborn and William R. Conklin of his counsel refused to say what legal procedure was contemplated.

From the offices of John F. Clark & Co. the following statement was issued without further comment:

"The New York Cotton Exchange has suspended our firm for a period of six months from June 1, the charge being a technical violation of furnishing quotations to unauthorized parties. During this period we are permitted to clear our orders through other members of the Cotton Exchange, we carrying New York cotton with them the same as prior to the opening of our New York office. This enables us to continue the service we have been furnishing without any change or interruption."

Officers of the New York Cotton Exchange were reluctant to give specific information regarding the general charges made against the three members under suspension. Edward E. Bartlett, secretary, when asked whether the action resulted from furnishing information to bucketshops answered:

"Not exactly." Mr. Lamborn has been a member of the New York Cotton Exchange since November 7, 1917, and the other members of his firm are G. P. Tammeling, H. B. Hutchins, Charles C. Riggs, C. G. Troup, K. E. Lindgren, G. H. Logan, N. Keen, B. W. Dyer and William B. Wood. Mr. Clark has been a member of the Exchange since August 29, 1915, and Marks was admitted in January, 1920. The members of John F. Clark & Co. are John F. Clark, Russell Clark, Jacob Marks, Joseph A. Meyers and A. S. Stafford.



Golf Suits - \$100

Master tailored, perfectly fitted Golf Togs, made in imported fabrics of exclusive and unusual patterns. Quite incomparable in New York.

Linen Knickerbockers to Order
Two Pairs \$25.00

LOUIS BERG
Tailor to the Four Thousand
743 FIFTH AVENUE

Stern Brothers

West 42d St. (Between 5th and 6th Aves.) West 43d St.

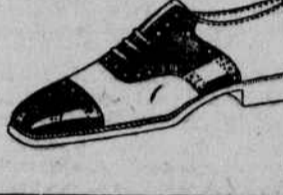

An extensive variety of smart, new models in

MEN'S WHITE BUCKSKIN OXFORDS

Cool, comfortable, distinctive for Summer wear, and most reasonably priced at

\$9.00 per pair

All superior quality footwear, embodying workmanship of the highest standard throughout. Many with toe, saddle and trimmings in contrasting leathers.

FRANKLIN SIMON MEN'S SHOPS

Men's and Young Men's Hand-Tailored Business Suits

Changed from \$45, \$50 and \$55
to **\$39.00**

CHANGED IN PRICE, that is all. Strictly regular stock. Two, three or four button models. Hand-tailored in fine serviceable blue or gray mixtures and quiet banking herringbones. Worthy of men who wear custom clothes, and a revelation to men who don't and want to.


Will be sold quickly, so an early selection is recommended. It is a great opportunity and should be treated accordingly.

Franklin Simon & Co.

FIFTH AVENUE

Men's Shops—West 38th and 37th Streets—Street Level

Half a Million Trial Tubes of Kolynos Dental Cream



FIVE HUNDRED THOUSAND trial tubes of KOLYNOS DENTAL CREAM are being given away, FREE, in New York City, at the present time.

They are being presented to passersby on the street by our own efficient force of distributors—a force of young ladies trained to this work.

These young women distributors easily distinguished by their picturesque yellow, white and green costumes—the Kolynos colors—you will encounter on the principal thoroughfares of the city, each with a basket from which she hands out the trial tubes.

Don't Fail to Get a Tube

One of these trial tubes is INTENDED FOR YOU. Do not fail to obtain it.

There is no need of giving this advice to the hundreds of thousands of present users of KOLYNOS DENTAL CREAM in this city. They will gladly take the sample, because THEY KNOW the unique value of Kolynos.

But you who HAVE NOT YET become Kolynos users—it is YOU PARTICULARLY that we want to reach with this trial tube.

The Kolynos Company New Haven Conn. U.S.A.

Compare It with Others

If this dentifrice is what tens of thousands of dentists and physicians say it is—THE BEST FOR YOU TO USE—you deserve to have the proof put in your hands.

THIS TRIAL TUBE IS THE PROOF.

We have on file in our New Haven laboratories personal applications from over 47,000 American Dentists and 74,000 American Physicians for Kolynos Dental Cream, to distribute among their patients.

Give this sample of Kolynos a drastic test. Compare it with the dentifrice YOU ARE NOW USING, by brushing your teeth with them alternately. Use ONE-HALF INCH of Kolynos on your DRY tooth-brush, morning and night, JUST FOR A FEW DAYS.

Then, when you rinse your mouth with water, GARGLE YOUR THROAT WITH THE SOLUTION.

You will immediately experience a sensation of COMPLETE MOUTH CLEANLINESS you have never felt before—your teeth will feel satiny smooth to your tongue.

You will have started a LIFE HABIT.